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Authority

8
9 IN THE UNITED STATES DISTRICT COURT
10 FOR THE EASTERN DISTRICT OF CALIFORNIA
11

12
13 **CALIFORNIA HIGH-SPEED RAIL**
14 **AUTHORITY,**

15 Plaintiff,

16 v.

17 **UNITED STATES DEPARTMENT OF**
18 **TRANSPORTATION; SEAN P. DUFFY,** in
his official capacity as Secretary of the
Department of Transportation; **THE**
19 **FEDERAL RAILROAD**
20 **ADMINISTRATION; DREW FEELEY,** in
his official capacity as Acting Administrator of
the Federal Railroad Administration,

21 Defendants.
22

Case No. 2:25-cv-02004-DAD-CKD

23
24 **PLAINTIFF'S NOTICE OF MOTION**
AND MOTION FOR PRELIMINARY
INJUNCTION; MEMORANDUM OF
POINTS AND AUTHORITIES

25 [E.D. Local Rule 231(d)]

26 Date: Nov. 17, 2025
27 Time: 1:30 P.M.
Dept: Courtroom 4/Zoom
28 Judge: Dale A. Drozd
Action Filed: July 17, 2025

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NOTICE OF MOTION AND MOTION

PLEASE TAKE NOTICE THAT on November 17, 2025, at 1:30 PM, or as soon thereafter as the matter may be heard before the Honorable Dale A. Drozd, United States District Court Judge for the Eastern District of California, Courtroom 4, 501 I Street, Sacramento, CA 95814, Plaintiff will and hereby does move for a preliminary injunction prohibiting Defendants from awarding, obligating or transferring any portion of the grant funds at issue in this case to another recipient(s) during the pendency of this lawsuit.

The motion is brought on the grounds that, absent a preliminary injunction, Defendants will award the grants funds at issue to another recipient(s) before Plaintiff's claims can be adjudicated, thereby mooting some or all of this lawsuit, and causing irreparable harm to Plaintiff. This motion is made pursuant to Federal Rule of Civil Procedure 65; Local Rule 231(d); the Complaint; the below memorandum of points and authorities; the concurrently filed declarations; the proposed order; and any other material or argument the Court deems proper.

The undersigned counsel certifies that she met and conferred with counsel for Defendants on October 6, 2025, and discussed the grounds for this motion. The parties were unable to resolve the dispute, and meet and confer efforts have been exhausted.

Dated: October 10, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California
PAUL STEIN
Supervising Deputy Attorney General

/s/ Sharon O'Grady
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Deputy Attorneys General
Attorneys for Plaintiff
California High-Speed Rail Authority

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION

Defendants have unlawfully stripped \$4 billion in grant funding from Plaintiff California High-Speed Rail Authority (the “Authority”) and recently started the process for transferring approximately \$2.4 billion of that money to other projects. If Defendants transfer the funds to other recipients before the Authority’s challenge to the grant terminations can be decided, the case will be moot, irreparably harming the Authority and dealing a severe blow to a historic public works project that promises to transform the Central Valley and the state’s transportation network. To prevent Defendants from effectively immunizing their misconduct from judicial review, the Court should enter a preliminary injunction that prevents Defendants from re-obligating or otherwise disposing of the funds during the pendency of this case.

On July 16, 2025, Defendant Federal Railroad Administration (“FRA”) precipitously terminated two Cooperative Agreements that provide critical support for California’s historic high-speed rail program. This was a jarring, 180-degree turnabout by FRA. One of the cooperative agreements, which obligated the bulk of the funding at issue, was issued just ten months earlier, in September 2024. Shortly after that, in October 2024, FRA reviewed the Authority’s progress and issued a monitoring report that found no “fraud, waste, abuse, or other significant findings that would impact project completion or compliance with the terms and conditions of the cooperative agreements.” After President Trump took office for his second term, however, FRA suddenly came to the opposite conclusion—not because of any actual non-compliance by the Authority, but simply because of President Trump’s animosity toward California and the project.

In February 2025, just four months after FRA gave the Authority a clean compliance review, President Trump announced, “we are going to start an investigation” of the project, which, he wrongly asserted, was “[b]illions and billions, hundreds of billions of dollars over budget,” with “hundreds of billions of dollars of cost overruns.”¹ Shortly after that, President

¹ See https://youtu.be/1hWZ8oG_x9I?si=OqWCIRJbt_CnusW1&t=1134.

1 Trump’s new Secretary of Transportation Sean Duffy insinuated without evidence that the project
 2 was riddled with fraud: “Who got rich? What consultants? What politicians? What politicians’
 3 husbands got rich off this money?”²

4 Secretary Duffy directed FRA to initiate a “compliance review” of the Authority’s federal
 5 grants, but the outcome of the “review” was predetermined. While the review was ongoing, and
 6 the Authority was still producing information and documents to FRA, Trump and Duffy
 7 continued to lambaste the project in social media posts and Oval Office diatribes. And, nearly
 8 simultaneously with the inevitable announcement of the grant terminations, the President posted
 9 on Truth Social that “not a SINGLE penny in Federal Dollars will go towards this Newscum
 10 SCAM ever again.”³

11 In its final decision, FRA purported to base the termination on a conclusion that the
 12 Authority will not complete construction and commence passenger service on the first segment of
 13 the system—a 171-mile stretch between Merced and Bakersfield called the Early Operating
 14 Segment or EOS—by December 2033, a critical milestone under the Cooperative Agreements. In
 15 other words, FRA has found the Authority to be in “breach” of its commitments to complete the
 16 EOS by 2033, even though (1) just last October, FRA itself confirmed that the Authority was on
 17 schedule to meet the deadline, and (2) the deadline is more than eight years away.

18 The Authority will show in this case that the termination of the cooperative agreements has
 19 nothing to do with the facts on the ground, and that the real motive underlying FRA’s action is
 20 political and personal: to punish California for opposing President Trump’s policies, and vent the
 21 President’s long-standing hostility toward the California high-speed rail project. The termination
 22 violates the Administrative Procedure Act (“APA”) because the asserted reasons for the decision
 23 were pretextual, and the decision was “arbitrary, capricious, an abuse of discretion, or otherwise
 24 not in accordance with law.” 5 U.S.C. § 706(2)(A).

26 ² See Declaration of Carter M. Jansen (“Jansen Decl.”), Exh. H (February 20, 2025, X post
 27 by Secretary Sean Duffy, available at <https://x.com/SecDuffy/status/1892703826580316475>).

28 ³ Jansen Decl. Exh. J (July 16, 2025, Truth Social post by President Donald Trump,
 available at <https://truthsocial.com/@realDonaldTrump/posts/114865506222851432>).

Absent a preliminary injunction, however, the case could be over before it starts. In its termination decision, FRA explicitly threatened to transfer the funds to other projects, stating its intent to “reprogram awarded but unspent Federal funds from terminated awards to other purposes.” Declaration of Shannon Bowley (“Bowley Decl.”), Exh. D at 6.⁴ And now, FRA has acted on that threat. On September 22, 2025, it issued a Notice of Funding Opportunity (“NOFO”) that has started the process for re-obligating to other projects nearly \$2.4 billion of the funds currently obligated to the California high-speed rail system. *Id.* ¶ 25 & Exh. J. Applications for this money are due by January 7, 2026, and FRA could act any time after that to award the money to another project(s). *Id.*

If FRA re-obligates and transfers the grant funds to another program before the Authority’s claims can be heard, the Court will not be able to effectively remedy the Authority’s injury, and the case will be moot to the extent of the grant funds re-obligated and transferred. The APA, however, permits injunctive relief to preserve and protect a specific *res*, such as the grant funds at issue here, and the Court should issue a preliminary injunction to do so now.

As shown below, the Authority is likely to prevail on the merits of its claims, the likelihood of imminent, irreparable harm is manifest, and the balance of equities weighs heavily in favor of preserving the status quo by preventing FRA from mooted this case. Accordingly, the Court should enjoin Defendants from re-obligating or transferring the grant funding to other programs or recipients pending final resolution of this case.

BACKGROUND

I. THE FEDERAL GRANTS TO THE CALIFORNIA HIGH-SPEED RAIL PROGRAM

High-speed rail in California began as a story of cooperation between California and the federal government. In 2008, California voters approved Proposition 1A to provide \$9.95 billion in bond funding to begin development of a high-speed rail system in the state. Declaration of Jamey Matalka (“Matalka Decl.”) ¶ 12. In 2009, FRA awarded the Authority \$2.5 billion appropriated by Congress through the American Recovery and Reinvestment Act via a cooperative agreement. *Id.* ¶ 7. The next year, FRA awarded the Authority an additional \$928

⁴ Page numbers refer to the entire ECF document’s pagination, not internal pagination.

1 million, authorized by Congress in the 2010 Omnibus Appropriations Act (the “FY10
2 Cooperative Agreement”). *Id.* Both federal grants provided funding for the Authority to begin
3 construction of infrastructure on a 119-mile segment in the Central Valley, called the First
4 Construction Segment (“FCS”). *Id.* ¶¶ 5, 7.

5 In February 2019, cooperation on the project broke down when California and fifteen other
6 states sued the federal government over then-President Trump’s announcement that he would use
7 funds that Congress had not appropriated to construct a wall between the United States and
8 Mexico. The day after the suit was filed, the President, incensed, took to Twitter. Drawing
9 strained comparisons between the border wall and California’s high-speed rail project, the
10 President complained (falsely) that the “failed Fast Train project in California . . . is hundreds of
11 times more expensive than the desperately needed Wall.”⁵ The same day, FRA abruptly notified
12 the Authority of its intent to terminate the FY10 Cooperative Agreement. Jansen Decl. Exh. A.

13 Although the Authority refuted the asserted grounds for termination, *id.* Exh. B, in May
14 2019, FRA notified the Authority that it was terminating the FY10 Cooperative Agreement
15 effective immediately, *id.* Exh. C. FRA threatened to “solicit new applications for these funds”
16 so that it could award them to other intercity passenger rail projects. *Id.* Exh. C at 25 n.32. The
17 State of California and the Authority sued, challenging the termination under the APA.
18 *California v. U.S. Department of Transportation*, Case No. 3:19-cv-2754-JD, Dkt. No. 1 (N.D.
19 Cal., May 21, 2019); Jansen Decl. ¶ 12. After Plaintiff notified defendants that it intended to seek
20 a temporary restraining order, the federal government stipulated that it would not seek to re-
21 obligate, transfer, or award the funds to any other program or recipient except through a new
22 NOFO and award issued in accordance with applicable rules and regulations and standard
23 practices and procedures, obviating the need for emergency relief. Jansen Decl. Exh. D. The
24 Authority and the federal government eventually settled the lawsuit in June 2021, Jansen Decl.
25 Exh. E, whereby the FY10 Cooperative Agreement was amended, and all of the previously
26 awarded grant funding was restored.

27 ⁵ Jansen Decl. Exh. G (February 19, 2019, X post by President Donald Trump, available at
28 <https://x.com/realDonaldTrump/status/1097856727020720128>).

1 To provide passenger high-speed rail service as quickly as possible, and pursuant to the
 2 2021 amendment to the FY10 Cooperative Agreement, the Authority expanded the initial 119-
 3 mile segment in the Central Valley to 171 miles, extending from downtown Bakersfield to
 4 Merced. Ruiz Decl. ¶ 6. The expanded segment, the EOS, will connect three of the largest cities
 5 in the Central Valley and provide transportation connectivity to both the San Francisco Bay Area
 6 and Los Angeles. Matalka Decl. ¶ 6.

7 In 2021, Congress enacted the Infrastructure Investment and Jobs Act, which created the
 8 Federal-State Partnership for Intercity Passenger Rail Grant Program (“FSP Program”). In
 9 December 2023, FRA awarded the Authority approximately \$3 billion from the FSP Program for
 10 construction of the EOS, and the parties entered into a Cooperative Agreement for the grant in
 11 September 2024 (the “FSP Cooperative Agreement”). Matalka Decl. ¶ 7 & Exhs. B, C. The FSP
 12 Cooperative Agreement is a “phased” award. When it was first executed in September 2024,
 13 FRA obligated approximately \$1.7 billion in funding to the Authority. Matalka Decl. ¶ 7 & Exh.
 14 B. In November 2024, FRA and the Authority executed Amendment 1, obligating a second
 15 round of \$681 million in funding. Matalka Decl. ¶ 7 & Exh. C. An additional \$681 million has
 16 not yet been obligated. Matalka Decl. ¶ 7.

17 The performance period of the FSP Cooperative Agreement runs through July 2034, and
 18 requires the Authority “to complete the construction of the fully electrified, dedicated high-speed
 19 infrastructure for the EOS and provide electrified high-speed passenger service on the EOS by
 20 December 31, 2033.” Matalka Decl., Exh. B at 78.⁶

21 **II. THE AUTHORITY IS ON SCHEDULE TO PROVIDE ELECTRIFIED HIGH-SPEED**
 22 **PASSENGER RAIL SERVICE ON THE EOS BY DECEMBER 31, 2033.**

23 The Authority has made significant progress on the project and is on schedule to provide
 24 electrified high-speed passenger rail service on the EOS by December 31, 2033. Matalka Decl.

25 ⁶ FRA and the Authority also signed three other, smaller cooperative agreements in 2024,
 26 funding specific elements of the EOS, and FRA awarded an additional grant for a grade
 27 separation in the Central Valley in January 2025 (the “Le Grand Overcrossing Grant”).
 28 Declaration of Shannon Bowley (“Bowley Decl.”) ¶ 8. On August 26, 2025, FRA abruptly
 revoked the Le Grand Overcrossing Grant, which would have supported a rail safety project to
 separate cars, trucks, bicycles and pedestrians from existing freight and passenger rail tracks, as
 well as future high-speed rail tracks. *Id.* ¶ 24 & Exh. I.

¶ 38 & Exh. I. The Authority has resolved the most complex and difficult issues arising in connection with EOS, and construction is well-advanced. Declaration of Daniel Teran (“Teran Decl.”) ¶¶ 8-11 & Exh. A; Ruiz Decl. ¶¶ 7-12 & Exh. A. More than 99 percent of the parcels needed for the right-of-way in the FCS have been acquired and 86 percent of utility relocations have been completed. Teran Decl. ¶¶ 9, 10.⁷ In terms of physical construction, as of May 31, 2025, the Authority has completed 54 major structures—viaducts, bridges, overhead crossings and underpasses. Ruiz Decl. ¶ 9 & Exh. A; Teran Decl. Exh. A at 3. Each of these completed structures was a significant undertaking; for example, the San Joaquin River viaduct is 4,741 feet long, 43 feet wide and 210 feet tall at its highest point. Ruiz Decl. ¶ 12. As of May 31, 2025, construction is underway on another 30 major structures, with only 8 major structures not yet under construction. Ruiz Decl. ¶ 9; Teran Exh. A at 3. In addition, the Authority has constructed hundreds of irrigation and wildlife crossings. Ruiz Decl. ¶ 10. The Authority has completed approximately 70 miles of guideway for the laying of track, with an additional 27 miles under construction as of the end of May 2025. Ruiz Decl. ¶ 11; Teran Exh. A at 3. And the Authority is nearing completion of a railhead, or depot, for delivery of track to the project, due for completion this year. Ruiz Decl. ¶ 9.

The Authority issued an amended request for proposals for acquisition of rolling stock on September 9, 2025, with the contract to be executed by December 1, 2025. Matalaka Decl. ¶ 38. That revised timeline, although later than the original December 2024 date for procurement contract execution, will still allow for timely trainset delivery, and will not affect the Authority’s ability to achieve passenger service on the EOS by December 2033. *Id.* ¶ 38 & Exh. J.

III. FRA’S RECENT MOVE TO TERMINATE FUNDING FOR CALIFORNIA HIGH-SPEED RAIL UNDER PRESIDENT TRUMP

As noted above, FRA cooperation on the project came to a halt during President Trump’s first term in office when California and other states challenged President Trump’s attempt to use

⁷ The Authority has had to engage in extensive utility relocation work (moving electric, gas, telecommunications, water, sewer and irrigation infrastructure), which has required the cooperation of dozens of utility owners. Teran Decl. ¶ 10. As of May 31, 2025, the Authority had relocated 1572 of 1,826 utilities to date that are necessary to construct the initial 119-mile FCS, and an additional 102 utility relocations were underway. *Id.*, Exh. A.

unappropriated funds for a U.S.-Mexico border wall. See *supra* at 5. It resumed after the settlement in *California v. U.S. Department of Transportation*, and FRA began working closely with the Authority again, reviewing and approving requests for grant disbursements, conducting site visits and monthly update meetings between Authority staff and their FRA counterparts, and participating in quarterly senior management meetings. Bowley Decl. ¶ 11. Pursuant to the Cooperative Agreements, the Authority provided FRA with regular reports about every aspect of the project, Bowley Decl. ¶ 12, and FRA periodically reviewed the Authority’s risk analyses. Mataka Decl. ¶¶ 22-23. The FRA also conducted annual site reviews and issued formal reports.⁸ Mataka Decl. ¶ 31; Bowley Decl. ¶ 13. As noted above, the FRA’s most recent monitoring report, issued in October 2024, states: “*FRA did not identify any significant findings that would impact project completion or compliance with the terms and conditions of the cooperative agreements.*” Mataka Decl. Exh. H at 5 (emphasis added).

President Trump’s campaign of retaliation against California resumed in earnest just days after his second inauguration, however, and he immediately began making vague (and false) allegations about the project—that it was riddled with “kickbacks” and “corruption,” that the project is “hundreds of billions of dollars” over budget, that an airplane trip from San Francisco to Los Angeles costs only \$2, and that hundreds of billions of dollars could be saved by transporting people back and forth between Los Angeles and San Francisco by limousine.⁹

Two weeks later, in mid-February, Transportation Secretary Duffy announced that DOT would “investigat[e] how California spent roughly \$4 billion from Biden,”¹⁰ even though less than 0.05 percent, or only about \$1.4 million, of federal funds have been disbursed to the Authority under the FSP Agreement, and the Authority has not received any disbursements under the FY10 Agreement. Mataka Decl. ¶ 7. Duffy insinuated without evidence that the project was

⁸ The monitoring site reviews stopped during the prior litigation between the Authority and FRA and recommenced in 2024.

⁹ *Streetsblog California*, “Trump Turns Firehose of Disinformation on California High-Speed Rail,” <https://cal.streetsblog.org/2025/02/05/trump-turns-firehose-of-disinformation-on-california-high-speed-rail>.

¹⁰ See Jansen Decl. Exh. I (April 29, 2025, X post by Secretary Sean Duffy, available at <https://x.com/SecDuffy/status/1917263711963865321>).

1 rife with fraud, waste or abuse, stating: “Who got rich? What consultants? What politicians?
2 What politicians’ husbands got rich off this money?”¹¹

3 On February 20, 2025, FRA initiated a review of the Authority’s compliance with the
4 terms of its federal grants. The Authority timely complied with FRA’s multiple requests for
5 documents, producing more than 80,000 pages, compiled from nearly 2,500 files, on a very
6 compressed schedule. Bowley Decl. ¶¶ 15, 16 & Exhs. A, B, C.

7 Not surprisingly, this compliance review was an elaborate show by FRA, which had no
8 real interest in investigating the facts. While the compliance review was *still ongoing*, both
9 President Trump and Secretary Duffy made public statements that left no doubt they had already
10 made up their minds to cut off federal funding for the project, regardless of the outcome of the
11 compliance review. On May 6, 2025, in an Oval Office meeting with the Canadian Prime
12 Minister unrelated to California or high-speed rail, President Trump railed at Governor Newsom,
13 referring to him as “Newscum,” and excoriated the high-speed rail project again, stating that he
14 had told the Secretary of Transportation: “[W]e’re not going to pay for that thing.”¹²

15 On June 4, 2025, FRA issued a Notice of Proposed Determination to terminate the FY10
16 and FSP Cooperative Agreements, accompanied by a Compliance Review Report. Bowley Decl.
17 Exh. D. Notably, the Notice of Proposed Determination and Compliance Review Report found
18 no past or even imminent breach of any material term of either Cooperative Agreement. *See id.*
19 Rather, FRA asserted that the Authority will not be able commence passenger rail service on the
20 EOS by December 2033—even though FRA found no evidence of that just nine months earlier in
21 October 2024, and the performance deadline is more than eight years away. In other words, FRA
22 asserted that the Authority is in default *now* by effectively looking into a crystal ball and
23 declaring, eight years in advance, that the Authority cannot possibly meet the deadline.

24 Despite Secretary Duffy’s prior insinuations, the Compliance Review Report disclosed no
25 wrongdoing in connection with the project. Nor did it offer any explanation for reaching a

26 ¹¹ Jansen Decl. Exh. H (February 20, 2025 X post by Secretary Sean Duffy, available at
27 <https://x.com/SecDuffy/status/1892703826580316475>).

28 ¹² *See* President Trump to Canadian Prime Minister Mark Carney:
<https://www.youtube.com/watch?v=QY6JPmOKQlo>.

1 different conclusion from FRA’s October 2024 monitoring report. Instead, the Compliance
 2 Review Report bears all of the hallmarks of a post hoc justification; it simply echoes the broad
 3 statements in the Notice of Proposed Determination that the Authority “is not likely to achieve its
 4 commitment to deliver the EOS by 2033.” Bowley Decl. Exh. D at 7.

5 The Notice of Proposed Determination gave the Authority seven days to respond and 30
 6 days to submit supporting documentation. The Authority timely responded and provided
 7 voluminous evidence refuting the FRA’s claims. Bowley Decl. Exhs. E, F. The Authority
 8 demonstrated, most importantly, that it remains on schedule to timely commence revenue service
 9 on the EOS by December 31, 2033. Matala Decl. ¶ 38 & Exh. I.

10 Underscoring that the fix was in, on July 8, 2025, just *hours* after the Authority submitted
 11 its detailed response to the proposed termination and thousands of pages of supporting evidence,
 12 President Trump and Secretary Duffy made clear, yet again, that termination was a foregone
 13 conclusion. Secretary Duffy indicated that FRA would terminate the agreements within about
 14 five days, stating “Stay tuned for – probably give us five days – and you’ll have an answer on
 15 what’s gonna happen with the \$4 billion dollars we have . . . that’s gonna be \$120 billion that will
 16 never connect San Francisco to L.A.”¹³ President Trump also repeated the same old baseless
 17 talking points, stating that it was “a cost overrun of 2,000%— something like that. It’s unlimited.”
 18 “It’s like throwing it out the window... Not one track has been laid. \$15 billion, and we’re 16
 19 years into the project. Not one track.”¹⁴

20 ¹³ President Trump Participates in Cabinet Meeting, July 8, 2025,” The White House,
 21 <https://www.youtube.com/live/vL6PaBTA418?t=4830s>.

22 ¹⁴ See <https://www.youtube.com/live/vL6PaBTA418?t=4830s>. Secretary Duffy has
 23 repeatedly criticized the Authority because track has not yet been laid, intimating that no
 24 meaningful work has yet occurred. See, e.g., President Trump Participates in Cabinet Meeting,
 25 July 8, 2025,” The White House, <https://www.youtube.com/live/vL6PaBTA418?t=4830s>; Jansen
 26 Decl. Exh. K (July 30, 2025, X post by Secretary Sean Duffy, available at
 27 <https://x.com/SecDuffy/status/1950618398116700422>); *Newsweek*, “Trump Admin Delivers
 28 Another Major Blow to California High Speed Rail,” <https://www.newsweek.com/trump-high-speed-rail-california-funding-2120113>. This criticism is not only baseless, but also reveals a
 fundamental misunderstanding of the way the Cooperative Agreements are structured. Track
 laying is one of the final steps of the construction process and can commence only after planning,
 land acquisition, environmental clearances, construction of supporting structures (e.g., bridges,
 viaducts, and overpasses), and construction of guideway. For that very reason, the Cooperative
 Agreements do not require tracklaying to be completed until June 30, 2032. See Matala Decl.
 Exh. B at 25.

On July 16, 2025, FRA notified the Authority that it was terminating the Cooperative Agreements effective that day. It asserted, again, that the decision was based on its conclusion that the Authority “will not be able to deliver the operation of a Merced-to-Bakersfield corridor by the end of 2033.” Bowley Decl. Exh. G at 2. It explained that “the mere promise of delivering the EOS *someday* and at *some cost* was not the bargain struck.” *Id.* at 13 (emphasis in original). But the Authority has never indicated that it plans to deliver the EOS “someday.” The Authority remains committed to delivering the EOS by the end of 2033, as required under the FSP Cooperative Agreement, and is on schedule to do so.

In short, FRA’s actions now—just like six years ago—are entirely unjustified by the evidence. They reflect prejudging the outcome prior to (and regardless of) consideration of the record. Indeed, the same hour that FRA informed the Authority of its final termination decision, the President posted on Truth Social that “[t]hanks to Transportation Secretary Sean Duffy, not a SINGLE penny in Federal Dollars will go towards this Newscum SCAM ever again.”¹⁵

IV. PROCEDURAL HISTORY

The Authority filed this lawsuit on July 17, 2025—the day after the final termination decision—and shortly thereafter gave notice to Defendants of its intent to seek a temporary restraining order. That became unnecessary when Defendants stipulated, as they did in the previous grant termination litigation between the parties, that they would not seek to re-obligate, transfer, or award the funds to another recipient(s) except through a new Notice of Funding Opportunity (NOFO) and award. *See* ECF No. 8. The purpose of the stipulation was to obviate the need for emergency relief by giving the Authority sufficient time to seek a preliminary injunction if Defendants took steps to reobligate the grant monies. *Id.* Defendants have now taken that step.

On September 22, 2025, Defendants filed a motion to dismiss, which remains pending. ECF No. 12. The same day, Defendants issued a NOFO to award and reobligate all of the

¹⁵ *See* Jansen Decl. Exh. J (July 16, 2025, Truth Social post by President Donald Trump, available at <https://truthsocial.com/@realDonaldTrump/posts/114865506222851432>); *Politico*, “Trump pulls federal funds for California’s high-speed rail,” <https://www.politico.com/news/2025/07/16/trump-california-high-speed-rail-00459191>.

obligated but undisbursed funds under the FSP Cooperative Agreement—nearly \$2.4 billion. Bowley Decl. ¶ 25 & Exh. J. Applications for the money are due January 7, 2026. *Id.* Unless enjoined, Defendants will be free to award and reobligate the Authority’s FSP grant funds to other projects any time thereafter.

On October 6, 2025, the parties met and conferred with respect to this motion. Jansen Decl. ¶ 5. Defendants indicated that they intended to seek a stay of this motion (but not of their pending motion to dismiss). *Id.* Plaintiff indicated it would not oppose a stay provided Defendants agreed that FRA would not reobligate the \$2.5 billion of funds obligated under the FSP Cooperative Agreement until after the stay was lifted and this Court issued a ruling on this motion. *Id.* On October 9, 2025, Defendants advised Plaintiff that they would not stipulate. *Id.* ¶ 6.

LEGAL STANDARD

District courts have “broad discretion” to issue temporary injunctive relief “to preserve the status quo and prevent irreparable harm.” *Stuhlbarg Int’l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 841, n.8 (9th Cir. 2001). It is a “familiar and long-established practice” to order a preliminary injunction “for the purpose of protecting and preserving [the Court’s] jurisdiction until the object of the suit is accomplished and complete justice done between the parties.” *Looney v. E. Tex. R.R. Co.*, 247 U.S. 214, 221 (1918).

On a motion for preliminary injunction, a plaintiff “must establish [1] that he is likely to succeed on the merits, [2] that he is likely to suffer irreparable harm in the absence of preliminary relief, [3] that the balance of equities tips in his favor, and [4] that an injunction is in the public interest.” *Winter v. NRDC*, 555 U.S. 7, 20 (2008); *Stuhlbarg*, 240 F.3d at 839 n.7 (9th Cir. 2001). The Ninth Circuit has adopted a “sliding scale” approach: A plaintiff need only show “serious questions” on the merits if it can also show a likelihood of irreparable injury, that an injunction is in the public interest, and that the balance of hardships tips sharply toward the plaintiff. *Fraihat v. ICE*, 16 F.4th 613, 635 (9th Cir. 2021).

ARGUMENT

I. PLAINTIFF IS LIKELY TO ESTABLISH THAT DEFENDANTS VIOLATED THE ADMINISTRATIVE PROCEDURE ACT.

The Authority is likely to prevail on its APA claim. As an initial matter, the decision to terminate the Cooperative Agreements and de-obligate funding awarded to the Authority constitutes final agency action subject to judicial review under the APA. 5 U.S.C. § 704; *see also Block v. Cmty. Nutrition Inst.*, 467 U.S. 340, 348 (1984) (noting “presumption in favor of judicial review of administrative action”). An agency action is final if it marks the “consummation of the agency’s decisionmaking process” and “determine[s] rights or obligations.” *Alaska Dep’t of Envtl. Conservation v. EPA*, 540 U.S. 461, 483 (2004) (quotation marks omitted). These requirements are plainly satisfied here. FRA’s July 16 final decision consummates the agency’s abbreviated decision-making process and determines the Authority’s rights; it begins: “This letter provides . . . [the Authority] with the final decision of the . . . [FRA] to terminate [the] Cooperative Agreements” Bowley Decl. Exh. G at 2.

On the merits, the Authority is likely to prevail on its claim that FRA’s termination decision was “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 5 U.S.C. § 706(2)(A). “The APA’s arbitrary-and-capricious standard requires that agency action be reasonable and reasonably explained.” *FCC v. Prometheus Radio Project*, 592 U.S. 414, 423 (2021). Agency actions are arbitrary and capricious if they, *inter alia*, irrationally depart from settled policy, *INS v. Yueh-Shaio Yang*, 519 U.S. 26, 32 (1996), or offer pretextual explanations that run counter to the evidence, *Motor Vehicle Mfrs. Ass’n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). Moreover, when an agency changes its position, it must first consider both the “alternatives that are within the ambit of the existing policy” and the “serious reliance interests” engendered by the status quo. *Dep’t of Homeland Security v. Regents of Univ. of Cal.*, 591 U.S. 1, 30 (2020). As set forth below, FRA’s final termination decision falls short of reasoned decision-making in several ways.¹⁶

¹⁶ In their pending motion to dismiss, Defendants do not contend that the Complaint fails to state a claim. Instead, they seek to have the case dismissed on jurisdictional grounds, arguing: (continued...)

A. FRA’s Explanation for Terminating the Grant Was Pretextual.

Where an agency has concealed the basis for its decision through pretext, a reviewing court need not accept the agency’s stated rationale. *See Department of Commerce v. New York*, 588 U.S. 752, 781-83 (2019); *FTC v. Sperry & Hutchinson Co.*, 405 U.S. 233, 248-49 (1972) (reversing order affirming agency action where the “considerations urged here in support of the Commission’s order were not those upon which its action was based” (internal quotation marks omitted)). Moreover, because the APA requires an agency decision-maker to “disclose the basis of its” decision, *Burlington Truck Lines*, 371 U.S. 156, 168 (1963) (citation omitted), a pretextual decision must be set aside without further inquiry. *See Department of Commerce v. New York*, 588 U.S. at 782-783; *N.E. Coal. on Nuclear Pollution v. Nuclear Regulatory Comm’n*, 727 F.2d 1127, 1130-31 (D.C. Cir. 1984); *see also Woods Petroleum Corp. v. U.S. Dep’t of Interior*, 18 F.3d 854, 859 (10th Cir. 1994) (invalidating decision as arbitrary and capricious where rejection of agreement was pretext for ulterior motive).

“The reasoned explanation requirement of administrative law, after all, is meant to ensure that agencies offer genuine justifications for important decisions, reasons that can be scrutinized by courts and the interested public. Accepting contrived reasons would defeat the purpose of the enterprise.” *Dep’t of Com*, 588 U.S. at 785. Indeed, in *Department of Commerce v. New York*, the Supreme Court held that *even though the agency decision was supported by the evidence*, reversal was still required because the decision “rested on a pretextual basis.” *Id.* at 773-76, 781-84.

Here, FRA’s stated rationales for terminating the cooperative agreements are mere pretexts for the Trump administration’s actual motive: political retribution for California’s opposition to

(1) that the cooperative agreements are contracts that, under the Tucker Act, are within the exclusive jurisdiction of the Court of Federal Claims; and (2) that FRA’s termination decision is committed to agency discretion and therefore nonreviewable under the APA. As will be further explained in the Authority’s opposition to that motion, “there cannot be exclusive jurisdiction under the Tucker Act if there is no jurisdiction under the Tucker Act.” *Community Legal Servs. v. United States*, 137 F.4th 932, 939 (9th Cir. 2025) (quoting *Tootle v. Sec’y of Navy*, 137 F.4th 167, 177 (D.C. Cir. 2006)). Lawsuits based on cooperative relationships and not seeking money damages, as here, generally are not within the jurisdiction of the Court of Federal Claims. *See, e.g., Nat’l Ctr. for Mfg. Scis. v. United States*, 114 F.3d 196, 199-202 (Fed. Cir. 1997). As to Defendants’ second ground for dismissal, review under the APA is unavailable only “where a court would have no meaningful standard against which to judge the agency’s exercise of discretion.” *Heckler v. Chaney*, 470 U.S. 821, 830 (1985). Here, FRA based its termination decision on specific findings which plainly are susceptible to judicial review.

1 President Trump on a wide range of policy issues, and President Trump’s overt animus to
 2 California Governor Newsom and what he has termed the “green disaster” high-speed rail
 3 project.¹⁷

4 The Supreme Court’s decision in *Department of Commerce v. New York* is instructive.
 5 That case was a challenge to the decision of the Secretary of Commerce to reinstate a citizenship
 6 question on the census. 588 U.S. at 758. The Trump administration’s claimed rationale was that
 7 doing so would be the best way of collecting improved citizenship data for use by the Department
 8 of Justice in enforcing the Voting Rights Act. *Id.* at 775-76. While the Court found that the
 9 agency’s rationale was supported by evidence, *id.* at 774, it held that reversal and remand was
 10 nonetheless required because there was evidence that the reason for the decision was pretextual,
 11 *id.* at 785. Among other things, the Secretary began taking steps to reinstate the citizenship
 12 question only about a week into his tenure, with no indication that he was considering Voting
 13 Rights Act enforcement, and his Director of Policy “saw it as his task to ‘find the best rationale’.”
 14 *Id.* at 783 (quoting the district court’s decision).

15 Similarly, President Trump’s and Secretary Duffy’s public statements make it manifest that
 16 they were determined to terminate federal support for California’s high-speed rail program from
 17 the very beginning of the new administration. See *supra* at 8-9. As discussed above, one of
 18 Duffy’s first acts as Secretary of Transportation was to launch a compliance review to try to find
 19 fraud or corruption, or some other basis for terminating the grants, notwithstanding the fact that
 20 FRA’s own monitoring report, issued just four months earlier, concluded that there was none.
 21 Matala Decl. Exh. H. The facts on the ground, and the reasoned decision-making process
 22 required by the APA, simply didn’t matter to Defendants.

23 Then, in apparent obedience to President Trump and Secretary Duffy’s directives, FRA
 24 concluded the Authority cannot complete the EOS on time—the opposite of what FRA concluded
 25 just a few months before—*without any explanation for the rapid about face*. Similarly, although
 26 FRA had recently reviewed the Authority’s 2023 risk analysis and found it to be “robust” and

27 _____
 28 ¹⁷ See Jansen Decl. Exh. F (February 13, 2019 X Post by President Donald Trump,
 available at <https://x.com/realDonaldTrump/status/1095857587344551936>).

1 “thorough,” Matala Decl. ¶ 23 & Exh. G at 13, 19, FRA ginned up a new “risk analysis” that
 2 concluded that “on average, HSRA is expected to miss the required EOS start date.” Bowley
 3 Decl. Exh. G at 9.¹⁸ In other words, FRA chose to reverse its own prior findings made just
 4 months before, and terminated the Cooperative Agreements immediately, based on ill-founded
 5 speculation concerning an event more than eight years into the future.

6 The Authority is likely to succeed on its APA claim because FRA’s stated reasons for
 7 terminating the grants are pretextual. During his first administration, President Trump’s
 8 administration tried to cut off federal funding for California high-speed rail as a matter of political
 9 retribution, and it is now determined to finish the job, regardless of the evidence.

10 **B. FRA Did Not Follow a Logical and Reasonable Process in Terminating the**
 11 **Cooperative Agreements.**

12 FRA’s decision also violated the APA because it did not result from a logical and
 13 reasonable process. The APA establishes a scheme of “reasoned decisionmaking.” *Motor Vehicle*
 14 *Mfrs.*, 463 U.S. at 52. “Not only must an agency’s decreed result be within the scope of its lawful
 15 authority, but the process by which it reaches that result must be logical and rational.” *Allentown*
 16 *Mack Sales & Serv., Inc. v. N.L.R.B.*, 522 U.S. 359, 374 (1998). “The focus of this requirement is
 17 on the rationality of an agency’s decisionmaking process rather than on the actual decision.”
 18 *Local Joint Exec. Bd. of Las Vegas, Culinary Workers Union Local 226 v. N.L.R.B.*, 309 F.3d
 19 578, 583 (9th Cir. 2002). Thus, for example, an agency may not “rely on explanation that runs
 20 counter to the relevant evidence presented to the agency,” nor may it rely “solely on portions
 21 favorable to its own position.” *Guertin v. United States*, 743 F.3d 382, 388 (2d Cir. 2014).

22 The decision-making process that led to termination here was anything but “logical and
 23 rational.” The sequence of events demonstrates that FRA was determined to terminate the
 24 Cooperative Agreements no matter what evidence or argument the Authority might present, and
 25 FRA’s final termination decision was not based on the evidence before the FRA. *City of Kansas*
 26 *City, Mo. v. Dep’t of Hous. & Urban Dev.*, 923 F.2d 188, 194 (D.C. Cir. 1991) (“Agency action

27 ¹⁸ FRA’s new risk analysis, along with other issues raised in the Compliance Review
 28 Report, is addressed at length in the Authority’s responses to FRA’s Notice of Proposed
 Determination. Bowley Decl. Exhs. E, F.

1 based on a factual premise that is flatly contradicted by the agency’s own record does not
 2 constitute reasoned administrative decision-making and cannot survive review under the arbitrary
 3 and capricious standard.”). FRA’s termination rationale—that the Authority will not be able to
 4 deliver the EOS by the end of 2033—is an *ipse dixit* unsupported by any reliable evidence. *See*
 5 Bowley Decl. Exhs. D, G.

6 As the Authority explained in its submissions to FRA, FRA’s rationale rests on speculation
 7 that the Authority will be unable to resolve issues commonly encountered in large construction
 8 projects, such as resolving third-party disputes and project change order requests, and on the fact
 9 that the Authority deferred finalizing its rolling stock acquisition to reassess technical
 10 specifications—delay that will not affect the overall timeline for completing the EOS. Matalka
 11 Decl. ¶ 38 & Exh. J.¹⁹ Further, FRA gave no explanation why these issues suddenly cried out for
 12 immediate termination in July 2025, but were not even worthy of mention in FRA’s October 2024
 13 monitoring report.

14 The FRA’s “Schedule and Cost Risk Analysis,” included in the Compliance Review
 15 Report, also fails to support the FRA’s rationale. *See* Bowley Decl. Exh. D at 58. The document
 16 was ostensibly prepared to inform FRA’s review, but it, too bears the hallmarks of post hoc
 17 justification for a decision already made. Among other things, (a) FRA apparently did not use
 18 documents and information prepared in the ordinary course of the high-speed rail project, and did
 19 not allow the Authority to provide input; (b) it did not consider complete, current information,
 20 including the Authority’s confidential risk register, even though FRA had access to it; and (3) it
 21 omits information critical to any risk assessment, including an adequate description of the model
 22 used and the underlying assumptions and exceptions. Matalka Decl. ¶ 27. Indeed, it fails even to
 23 disclose the person(s) who prepared it, much less their qualifications for the task. *Id.* The FRA’s
 24 risk analysis also does not explain why FRA felt the need to create a new risk assessment when,
 25 less than two years earlier, FRA had conducted a review of the Authority’s own risk assessment

26 _____
 27 ¹⁹ Although identified as an interim milestone, failing to procure rolling stock on the
 28 timeline spelled out in the grant is not an event of default or persistent noncompliance under the
 Cooperative Agreements, and thus does not in itself warrant termination of the Cooperative
 Agreements. *See* Matalka Decl. Exhs A, B, C.

1 and found it to be “robust” and “thorough.” Matalka Decl. Exh. G at 13, 19. FRA’s decision to
 2 terminate the grants, based on an opaque and unreliable “risk analysis” opining that, “*on average*,
 3 CHSRA is expected to miss the required EOS start date” more than eight years away, Bowley
 4 Decl. Exh. G at 9 (emphasis added), is arbitrary and capricious.

5 FRA also ignored the evidence before the agency by repeatedly claiming that the
 6 Authority “has no credible plan” for bridging an estimated \$7 billion funding shortfall for
 7 completing the EOS “beyond seeking additional federal funds.” Bowley Decl. Exh. D at 4, 8, 21-
 8 23.²⁰ The Authority showed FRA that it had a concrete plan to address the shortfall, set out in the
 9 Governor’s May 2025 Budget Revision and supported by leaders in the Legislature, by extending
 10 the cap-and-invest (formerly cap-and-trade) program to 2045 from 2030, and providing a stable,
 11 guaranteed stream of cap-and-invest funding of \$1 billion per year for the project. Matalka Decl.
 12 ¶¶ 14-15. Despite the fact that this proposal was pending before the Legislature, FRA brushed it
 13 aside, dismissively concluding it was unlikely to be enacted. Bowley Decl. Exh. G at 22. But, of
 14 course, the Legislature did pass the legislation just two months later and the Governor signed it,
 15 adding guaranteed funding of \$15 billion for the project. Cal. S.B. 840, ch. 121 (Sept. 19, 2025);
 16 Cal. Assemb. B. 1207, ch. 117 (Sept. 19, 2025).

17 FRA also ignored that, since the inception of the project, the State has repeatedly
 18 demonstrated its commitment to finding the necessary funding. As of May 31, 2025, the State
 19 had expended approximately \$11.8 billion of its own funds on the project, compared to federal
 20 grant disbursements of approximately \$2.6 billion (\$2.5 billion of which was received prior to
 21 2019). Matalka Decl. ¶ 11 & Exh. D. Accounting for future cap-and-invest revenues that are
 22 currently dedicated to the project, the State’s total commitment to date is approximately \$37
 23 billion—almost five times the amount of its federal grants. *Id.* Nothing in the history of the
 24 project suggests that the State will simply let the project fail.

25 _____
 26 ²⁰ FRA’s notice of proposed termination cited a February 25, 2025 report by the
 27 Authority’s Inspector General in support of its conclusion that the Authority had no credible plan
 28 to bridge the funding gap other than additional federal funding. Bowley Decl. Ex. D at 4. The
 Inspector General issued a letter in response stating that it “**Has Never Concluded that the
 CHSRA Lacks the Funding to Meet Federal Grant Agreement Requirements.**” Matalka
 Decl. Exh F at 3 (bolded in original).

1 Indeed, the fact that costs for large projects increase over time, and that project plans may
 2 need to be revised to include seeking additional federal or other funding support, is not unusual.
 3 The planned Brightline West high-speed rail line from Las Vegas to the Los Angeles area also
 4 received a grant from the FSP grant program (for \$3 billion). It just broke ground in April 2024,
 5 has not started actual construction, and disclosed in a federal grant application in September 2025
 6 that its estimated cost had increased by over 30 percent—from \$16 billion to \$21.05 billion.
 7 Bowley Decl. ¶ 31 & Exh. K.

8 The fact that FRA abruptly reversed course from its October 2024 monitoring report, in
 9 which it made no “significant findings that would impact project completion or compliance with
 10 the terms and conditions of the cooperative agreements,” Matala Declaration Exh. H at 4, is
 11 especially damning. An agency changing course from a previously held position must “supply a
 12 reasoned analysis for the change.” *Motor Vehicle Mfrs.*, 463 U.S. at 41-42; *see Air Alliance*
 13 *Houston v. EPA*, 906 F.3d 1049, 1066 (D.C. Cir. 2018) (“[I]f ‘new policy rests upon factual
 14 findings that contradict those which underlay its prior policy,’” it must provide ‘a reasoned
 15 explanation . . . for disregarding facts and circumstances that underlay or engendered by the prior
 16 policy,” quoting *F.C.C. v. Fox Television Stations, Inc.*, 556 U.S. 502, 515-16 (2009)). Here, not
 17 only has FRA failed to explain why it changed its position, it has not even *acknowledged* that it
 18 has changed position. Its final termination letter states that “[n]othing in the [October 2024]
 19 Monitoring Report . . . indicates that FRA has ever endorsed something short of an operational
 20 EOS in the timeline agreed to by [the Authority] as an acceptable project outcome.” Bowley
 21 Decl. Exh. G at 17. But that is a straw man. No one disputes that the Cooperative Agreements
 22 require an operational EOS by December 31, 2033. The relevant fact is that the October 2024
 23 monitoring report found *no basis for concern that the Authority would not meet that target*, and
 24 FRA has not supplied a reasoned analysis why that was wrong at the time, or what changed in the
 25 nine months between that finding and FRA’s July 16 termination of the agreements that would
 26 justify the agency’s sudden about face.

C. The Termination Was a Departure From FRA’s Settled Policy.

Finally, the termination irrationally departs from FRA’s ordinary practice. Agencies “may not . . . depart from a prior policy *sub silentio* or simply disregard rules that are still on the books,” and “must show that there are good reasons for the new policy.” *Fox Television Stations*, 556 U.S. at 515. Yet that is just what FRA has done.

The Department of Transportation’s (“DOT”) long-time practice, pursuant to its regulations and published guidance for grantees, is to address noncompliance with carefully calibrated remedies. DOT regulations in effect when the FY10 Cooperative Agreement was executed, for example, did not provide for sudden termination as a remedy for noncompliance. They required agencies like FRA to utilize measures “appropriate in the circumstances,” ranging from “[t]emporarily withholding cash payments” to disallowing the use of funds for “all or part of the cost of the activity not in compliance” or “withholding future awards.” 49 C.F.R. § 18.43(a)(1)-(5) (2010). Uniform grant regulations adopted across the federal government in 2014 provide for the imposition of “specific conditions,” 2 C.F.R. § 200.339, such as “additional project monitoring,” *id.* § 200.208(c). *Only* when the agency subsequently “determines that noncompliance cannot be remedied by imposing specific conditions” may it terminate the award “in part or in its entirety.” *Id.* § 200.339(c). DOT’s 2009 and 2016 Financial Assistance Manuals and its most recent 2020 Guide to Financial Assistance require remedies modulated to the circumstances, including opportunities to take “corrective action” or “remedial action,” rather than immediate termination. Section 5.5.6 of the DOT’s Guide to Financial Assistance, effective January 1, 2020, states: “Except when an immediate termination action is needed to protect the Federal government’s interest, the [agency] should terminate an award only when all other possible remedial actions have been exhausted and there is no reasonable expectation that the recipient will complete the necessary corrective actions (2 CFR § 200.339).”

If FRA had had a good faith concern about whether the Authority could obtain the State’s commitment to fill the funding gap, or whether the Authority’s schedule for completion of the project—now on track for December 2033—could slip in the future, the appropriate remedy would have been to withhold cash payments or temporarily suspend the Cooperative Agreements,

1 rather than terminate them outright. Indeed, in the case of the FY10 Cooperative Agreement, no
 2 grant disbursements have been made. Matalaka Decl. ¶ 7. Instead, FRA ignored its settled
 3 regulations and policies and rushed headlong to termination in order to make good on President
 4 Trump and Secretary Duffy's threats to terminate the grants.

5 **II. THE AUTHORITY IS LIKELY TO SUFFER IRREPARABLE HARM IF A PRELIMINARY**
 6 **INJUNCTION DOES NOT ISSUE.**

7 If injunctive relief is not granted, the Authority will suffer irreparable injury that cannot be
 8 redressed by an award of damages. *See City & Cty of San Francisco v. Trump*, 897 F.3d 1225,
 9 1243 (9th Cir. 2018) (quoting *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006)).
 10 The APA waives the United States's sovereign immunity as to actions against federal agencies
 11 seeking relief other than money damages. 5 U.S.C. § 702. Moreover, "[t]he fact that a judicial
 12 remedy may require one party to pay money to another is not a sufficient reason to characterize
 13 the relief as money damages." *Bowen v. Massachusetts*, 487 U.S. 879, 893 (1988). Where a
 14 grantee is challenging the termination of a grant, it may obtain preliminary injunctive relief under
 15 the APA to preserve the specific funds in question. *See, e.g., County of Suffolk v. Sebelius*, 605
 16 F.3d 135, 138-39 (2d Cir. 2010). The need for a preliminary injunction urgently arises here
 17 because "funds appropriated for an agency's use can become unavailable . . . if the funds have
 18 already been awarded to other recipients . . ." *City of Houston v. HUD*, 24 F.3d 1421, 1426
 19 (D.C. Cir. 1994).²¹ In *Modoc Lassen Indian Housing Auth. v. U.S. HUD*, 881 F.3d 1181, 1195
 20 (10th Cir. 2017), for example, the court held that HUD had improperly stripped grant monies
 21 from the plaintiff-tribes, but that the tribes were without a remedy because HUD had already
 22 disbursed the funds to other recipients; HUD no longer possessed the "very thing" to which the
 23 tribes were entitled. *Id.* at 1196. And sovereign immunity prohibited the court from ordering

24 ²¹ It is not clear whether re-obligation of the funds would be enough to moot the case, or
 25 whether actual disbursement of the funds would be required. That question does not appear to
 26 have been squarely addressed by an appellate court. *See Rodriguez v. Carson*, 401 F. Supp. 3d
 27 465, 468-71 (S.D.N.Y. 2019) (holding as a matter of first impression that it is the disbursement of
 28 the funds, not its re-obligation, that divests the district court of authority to grant effectual relief.)
 But allowing FRA even just to re-obligate the funds would subject the Authority to the risk that
 this Court, the Ninth Circuit or the Supreme Court could hold re-obligation was sufficient to
 prevent this Court from granting effective relief, and would potentially give rise to conflicting
 claims to monies.

1 HUD to substitute other funds. *Id.* at 1197. In *County of Suffolk v. Sebelius*, 605 F.3d 135, 138-
 2 39 (2d Cir. 2010), the County unsuccessfully sought a preliminary injunction in an APA action to
 3 preserve its access to funding under an HHS grant program, and the court of appeal also denied
 4 injunctive relief. More than a year later, the court of appeal reversed the district court's order
 5 denying the preliminary injunction. *Id.* at 139. On remand, HHS conceded that the County was
 6 entitled to the funds, but by that time the case was moot because the funds had been distributed to
 7 other grant applicants. *Id.*

8 Here, FRA has issued a NOFO by which it intends to award most of the grant funds at issue
 9 in this case to other projects. If that occurs before the Authority's claims can be adjudicated, the
 10 case will be rendered moot as to those funds (or any remaining grant funds that FRA may obligate
 11 pursuant to future NOFOs). That is irreparable harm appropriately remedied by injunctive
 12 relief.²² See *In re Estate of Ferdinand Marcos, Human Rts. Litig.*, 25 F.3d 1467, 1477 (9th Cir.
 13 1994) (holding that the district court acted within its authority in granting a preliminary injunction
 14 preventing transfer or dissipation of assets); *Hendricks v. Bank of America, N. A.*, 408 F.3d 1127,
 15 1140 (9th Cir. 2005) (affirming order preliminarily enjoining bank from releasing funds; holding
 16 that the risk of irreparable harm is "virtually self-evident" when a party is at risk of losing its
 17 ability to recover assets to which it is entitled).

18 **III. THE PUBLIC INTEREST AND BALANCE OF THE EQUITIES FAVOR A PRELIMINARY** 19 **INJUNCTION**

20 The balance of hardships between the Authority and FRA sharply tilts in favor of granting a
 21 preliminary injunction, and the public interest would not be harmed by one. See *City & Cty of*
 22 *San Francisco v. Trump*, 897 F.3d at 1243 (9th Cir. 2018). When injunctive relief is sought with
 23 respect to agency action, the reviewing court must balance the actual irreparable harm to the
 24 plaintiff against the potential harm to the government. See *Gonzales v. O Centro Espirita*
 25 *Beneficente Uniao Do Vegetal*, 546 U.S. 418, 429 (2006). Here, the Authority will be irreparably
 26 harmed if the grant funds are transferred and no longer in FRA's possession, while FRA will not

27 ²² FRA has suggested that no preliminary injunction is needed because applications for the
 28 money are not due until January 7, 2026, and "the closure of the application window will likely
 be followed by a monthslong review process. In other words, the CHSR funding will not be re-
 obligated for several months." Jansen Decl. ¶ 3.

1 face any cognizable harm if it is preliminarily enjoined from re-obligating the funds to other
2 programs and recipients. And there is a “substantial public interest ‘in having governmental
3 agencies abide by the federal laws that govern their existence and operations.’” *League of*
4 *Women Voters v. Newby*, 838 F.3d 1, 12 (D.C. Cir. 2016).

5 **CONCLUSION**

6 The Court should issue a preliminary injunction preventing Defendants from reobligating
7 the FSP Cooperative agreement grant funds or the FY10 Cooperative agreement grant funds
8 during the pendency of this litigation.

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Respectfully submitted,

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